

# stanfield

Bringing Asian Technology Opportunities to Australian Investors

August 2015 Roadshow: SFN Acquires Sprooki

Stanfield Funds  
Management  
**ASX: SFN**

Please note Disclaimer on last slide.

- On 23 July Stanfield Funds Management announced a Share Purchase Agreement for the acquisition of all outstanding shares in Sprooki Pte Ltd.
- Sprooki is a location-based mobile commerce and engagement platform, encompassing GPS, Wi-Fi and beacon-based technology that allows retailers to engage with shoppers more effectively:
  - Integrates big data and consumer behaviour analytics.
  - Delivers relevant alerts, promotions and rewards to shopper's smartphones.
  - Drives footfall, shopper frequency and sales conversion.
  - Software as a Service business model and B2B go-to-market strategy.

# Stanfield Board



**Carl Clump**  
**Non-Executive Chairman**

- Founder and CEO Retail Decisions, Card Clear, Harpur Group, TEPAR
- Multiple Advisory Boards internationally



**Paul Doropoulos**  
**Executive Director**

- Executive Consultant and CFO – Metaliko Resources Limited & Kinetiko Energy Limited
- ASX Listing, Capital Raising and Due Diligence



**Xavier Kris**  
**Corporate Director**

- CEO Tri-Nation Holdings, PLUS 8 Group
- Global M&A (e-commerce) across USA, Asia, Europe, Africa and Australia



**James Pearson**  
**Non-Executive Director**

- 30+ years capital markets advisory in London, Hong Kong and Australia

also.. **Tom Sargant** and **William Ng** as Non-Executive Directors

# The Sprooki Investment Opportunity

- Sprooki has first mover advantage and is a leading provider in m-commerce engagement in Asia-Pacific.
- Robust business to business model based on recurring SaaS revenue.
- Nearly 4,000 retail stores across 70+ mall locations in Asia:
  - No free trials, all customers contracted and paying.
  - Continuing rapid Asia Pacific expansion.
- Sprooki is well positioned to capitalise on the rapidly growing m-commerce market in Asia-Pacific:
  - US in-store retail sales triggered by mobile engagement technologies expected to increase from US\$4 billion in 2015 to over US\$44 billion in 2016\*.
  - Global m-commerce industry to grow by an average 40% year on year and forecast to exceed US\$638 billion annually by 2018\*\*.

\*<http://www.businessinsider.com.au/twitter-ventures-hearst-ventures-softbank-capital-lead-18-million-financing-round-in-beacon-company-swirl-2015-4>

\*\*<http://www2.deloitte.com/content/dam/Deloitte/au/Documents/consumer-business/deloitte-au-cb-gpor-120115.pdf> and Euromonitor, eMarketer, Goldman Sachs Research estimate

# The Sprooki Team

- Board headquartered in Singapore, led by Australian Executives



Claire Mula

- Executive Director & Co-founder
- Previously General Manager, Multimedia Interactive Technologies for Astro All Asia Networks
- Fairfax Digital/Fairfax Media
- Proctor & Gamble



Michael Gethen

- Managing Director and Co-founder
- Fairfax Digital/Fairfax Media
- The Federal Publishing Company
- Astro All Asia Networks
- Independent Digital Media

- Current Advisory Board

- Carl Clump
  - Founder and former Chairman, ReD Worldwide (UK, Singapore)
- Daniel Roberts
  - CEO SKUvantage and Former Head of Online, Woolworths (Australia)
- Steven Greenway
  - Head of Commercial, SCOOT (Singapore)





# Sprooki Platform Enables Commerce

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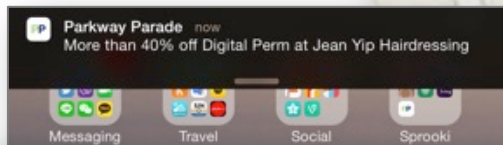


WHERE

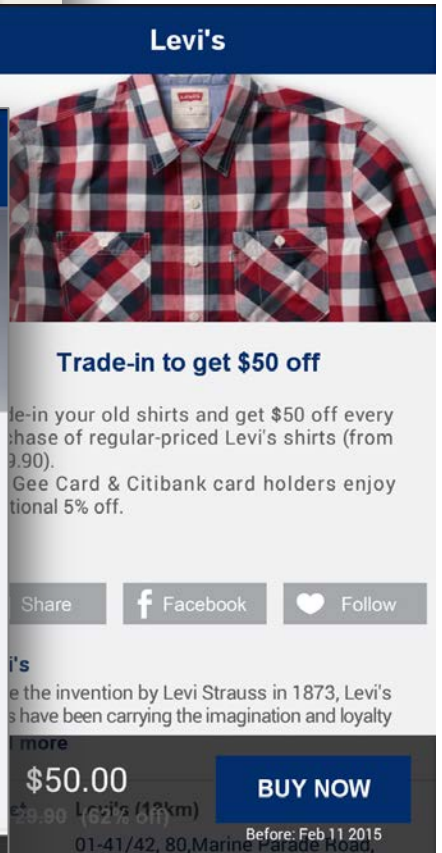
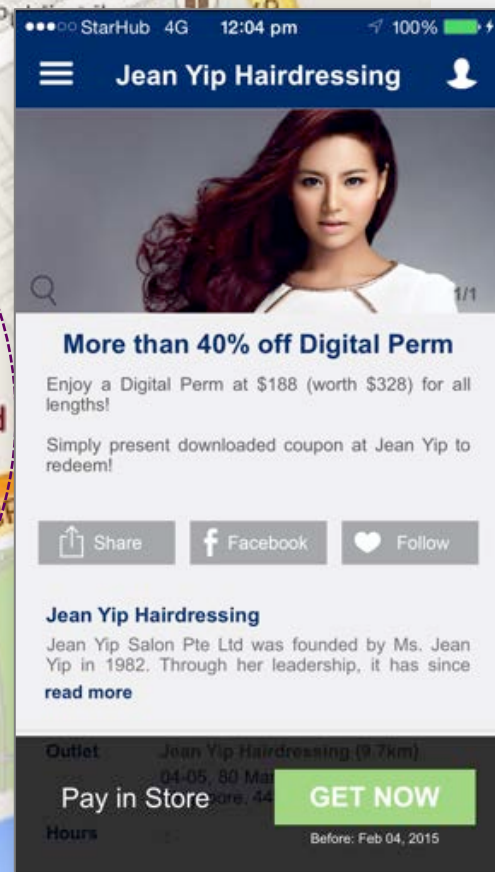
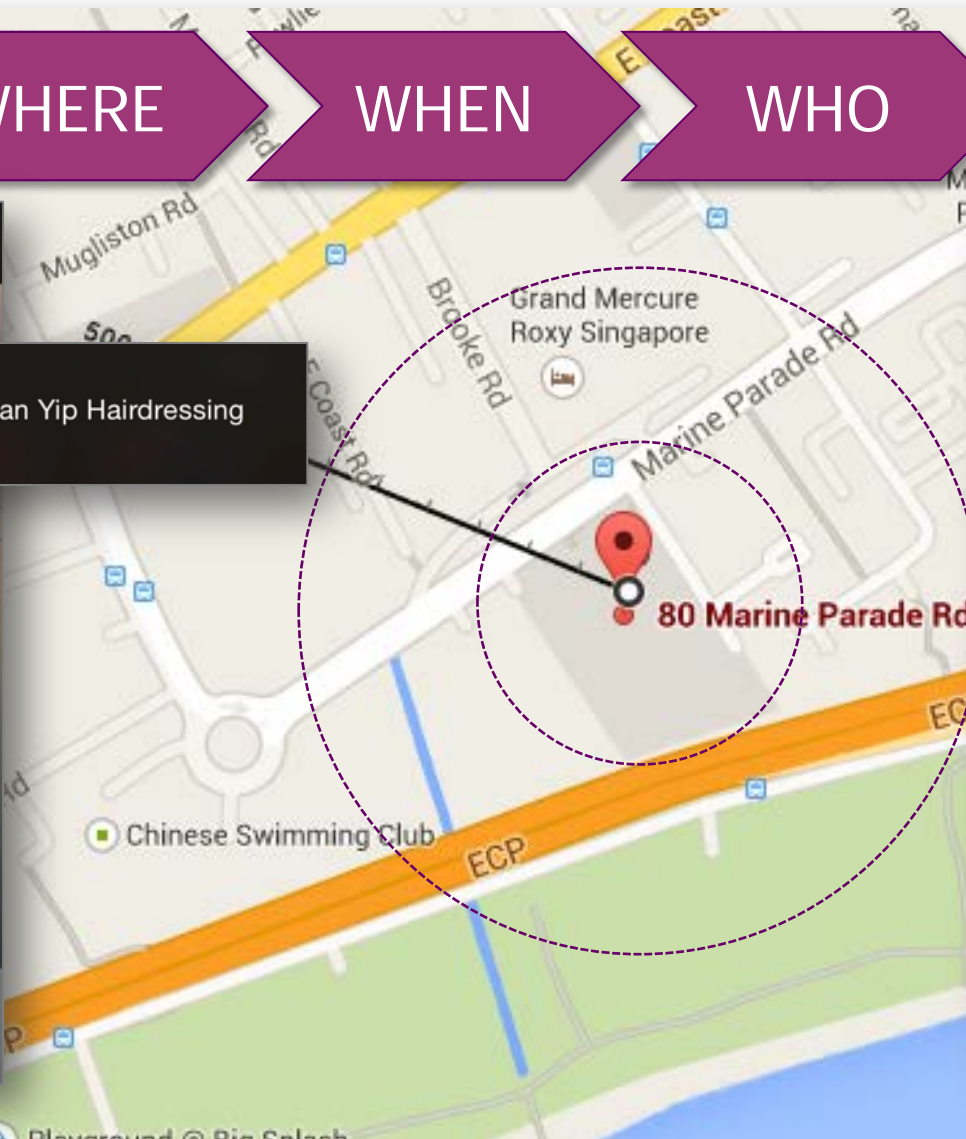
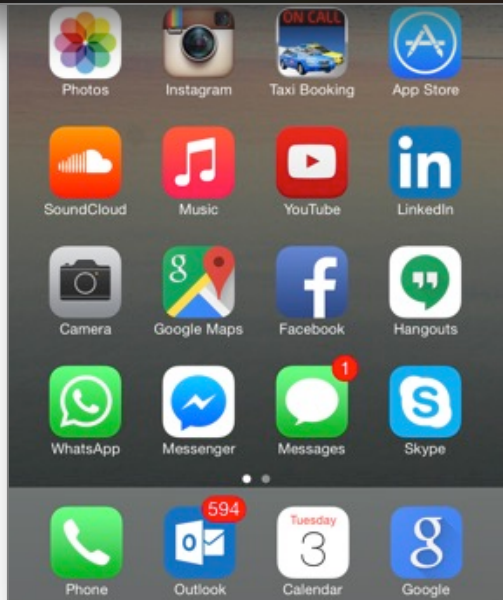
WHEN

WHO

WHAT



**PP** Parkway Parade now  
More than 40% off Digital Perm at Jean Yip Hairdressing





# The Power of Sprooki for Retailers

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Sprooki up to 5 times more effective in engaging retail customers

Average Response Rates

Email  
2.1%<sup>^</sup>

Mobile  
Ads  
2%-3%

Sprooki  
Platform  
10%<sup>#</sup>

Average Conversion Rates

Ecommerce  
via Mobile  
1% - 3.7%<sup>+</sup>

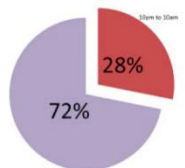
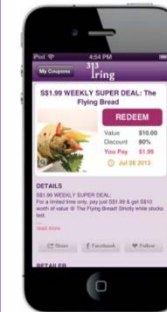
Sprooki  
Platform  
5%<sup>++</sup>

**46%**  
**Sales Conversion**

Percentage of the total coupons downloaded/purchased that were redeemed in-store.

**28% Sales**

made when the **mall or store was closed**, demonstrating the use of mobile as a convenient sales channel.



89% downloaded or purchased within walking distance (<500metres) or inside the mall .

<sup>^</sup>Median Click-through rates per email for Retail sector: Silverpop Email Marketing Metrics 2014

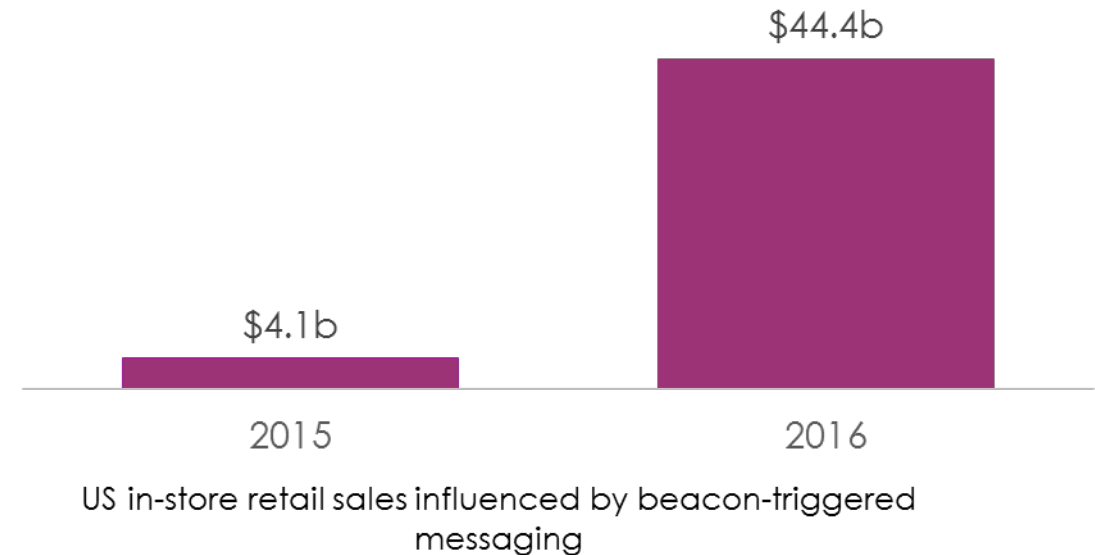
<sup>#</sup> Average Coupon download or purchase rates: Sprooki Location-based Platform (Retail)

<sup>+</sup> Ave E-commerce via Mobile Conversion Rate: U.S Internet Retailer 2014 Mobile 500, Monetate Ecommerce Qtly Q3 2013

<sup>++</sup> Average Conversion rates and store walk in: Sprooki Location-based Platform (Retail)



- Five times more effective in engaging retail customers when compared to email and mobile ads with measurable ROI.
- Increased sales conversion 5-6% sales conversion rate versus 1-3.7% for competitive e-commerce via mobile offerings.
- Reduces time, effort and investment required to engage customers.
- Provides relevant, personalised and location-targeted communication based on 'when, where and who'.
- Drives footfall from shoppers in the immediate proximity of the store or mall.
- Increases consumer frequency/loyalty.
- Enables 24x7 trade via mobile commerce, driving customers to buy online and redeem in-store.





# Key Achievements to Date

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- Launched in Singapore by Australian Executives in 2013.
- Backed by the Prime Minister's National Research Foundation of Singapore.
- Winner of two 2014 Mob-Ex awards:
  - Best location based marketing (gold)
  - Best mCommerce solution (bronze)
- Nearly 4,000 existing retail clients across 70+ malls including Far East Asia, Lend Lease Asia Pacific, AsiaMalls and SSI Group, Gap, Payless, Old Navy, Zara, Marks & Spencer, Samsonite.
- Marketing operations now established in Australia , Indonesia, Malaysia, Philippines and Vietnam.
- Track record and significant client pipeline established.



ZARA

Rustan's

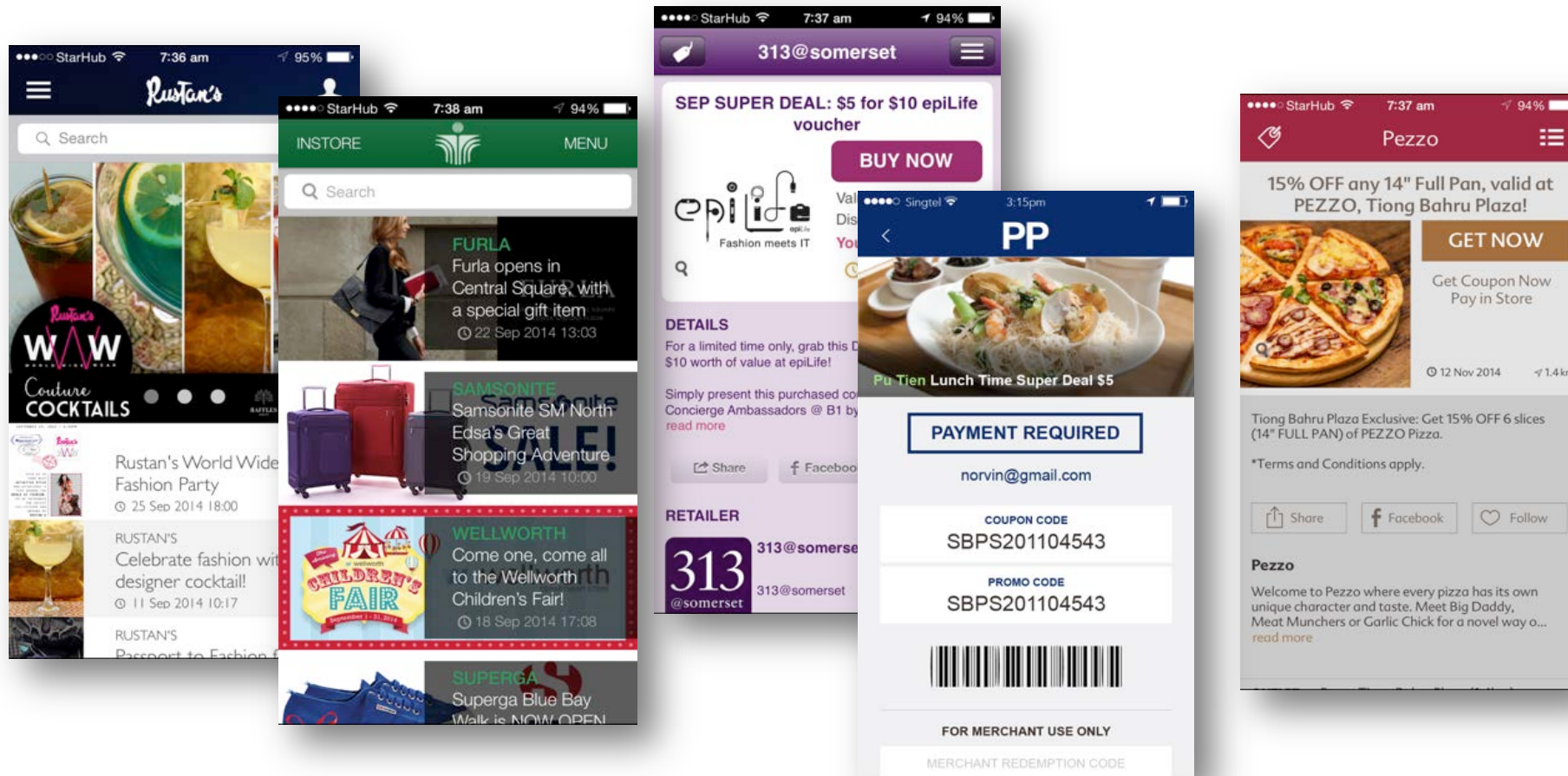
Samsonite

MARKS &  
SPENCER



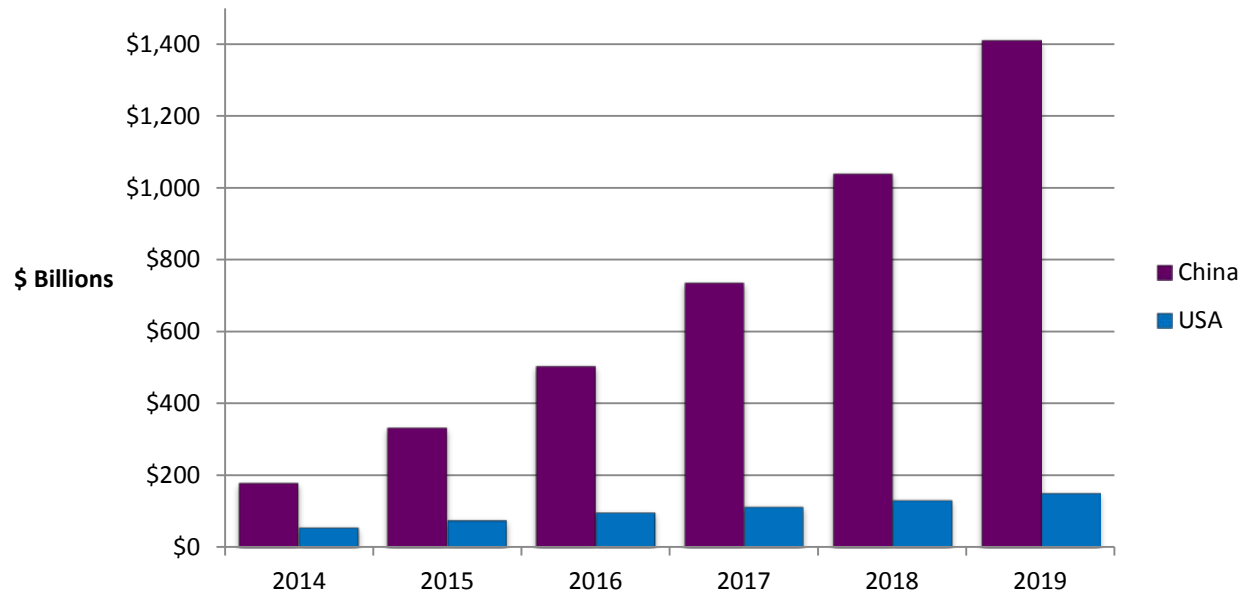
Caring since 1879

Sprooki works with leading corporates across APAC: 70+ malls nearly 4,000+ stores



- Significant growth market with Sprooki having first mover advantage
- Marquee revenue-generating customers live.
- Already operating in multiple territories in the Asia Pacific region.
- Funds required to expedite business development and growth plans.

## Retail Mcommerce Sales



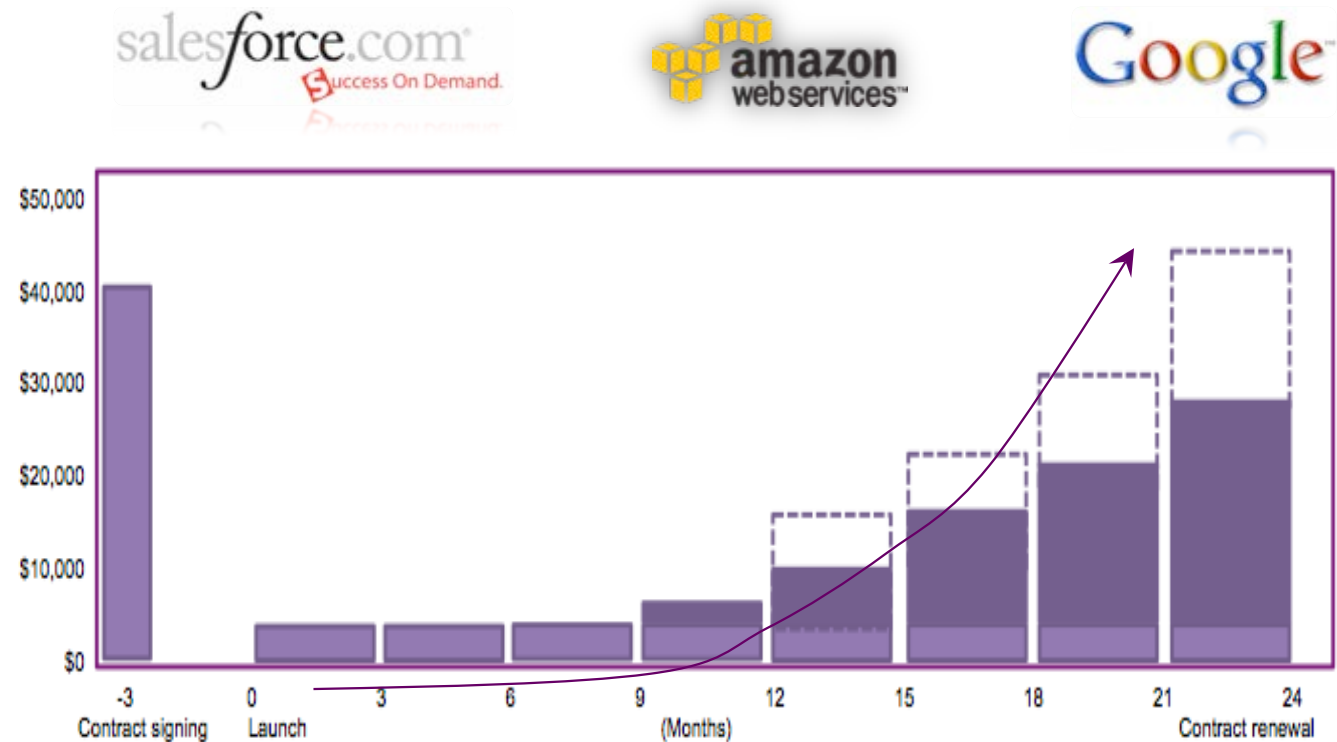
Source: [www.emarketer.com](http://www.emarketer.com)

Global mobile commerce ex-travel forecast - 2011-2018E							
	2012	2013	2014E	2015E	2016E	2017E	2018E
<b>Global forecast</b>							
<b>E-commerce</b>	<b>\$545</b>	<b>\$638</b>	<b>\$752</b>	<b>\$882</b>	<b>\$1,024</b>	<b>\$1,179</b>	<b>\$1,346</b>
Y/Y % growth	18.8%	17.1%	17.9%	17.2%	16.2%	15.1%	14.1%
<b>Mobile device forecast</b>							
Smartphone units	680	987	1,252	1,488	1,711	1,917	2,108
Tablet units	67	73	92	113	134	157	181
<b>Total M-commerce enabled units</b>	<b>747</b>	<b>1,060</b>	<b>1,344</b>	<b>1,601</b>	<b>1,846</b>	<b>2,074</b>	<b>2,289</b>
M-commerce buyers	210	379	535	686	830	961	1,089
Y/Y % growth		80%	41%	28%	21%	16%	13%
M-commerce buyers % of devices	28.2%	35.8%	39.8%	42.9%	45.0%	46.3%	47.6%
<b>M-commerce forecast</b>							
M-commerce from Smartphones	\$27	\$50	\$70	\$95	\$123	\$147	\$173
Y/Y % growth		85%	41%	36%	29%	20%	18%
M-commerce from Tablets	\$34	\$83	\$134	\$203	\$292	\$369	\$453
Y/Y % growth		143%	62%	51%	44%	26%	23%
<b>Global M-commerce</b>	<b>\$61</b>	<b>\$133</b>	<b>\$204</b>	<b>\$298</b>	<b>\$415</b>	<b>\$516</b>	<b>\$626</b>
Y/Y % growth		117.3%	54.3%	45.9%	39.1%	24.4%	21.3%
% e-commerce sales	11.2%	20.8%	27.2%	33.9%	40.5%	43.8%	46.6%
<b>M-commerce per buyer</b>							
Y/Y % growth		21%	9%	14%	15%	7%	7%

Source: Euromonitor, eMarketer, Goldman Sachs Research estimates.

- Clients sign enterprise platform license:
  - 2 year initial term
  - Auto-renewal
- No free trial agreements.
- Initial fee:
  - Grant of license
  - Customisation of platform
- Strong recurring Revenues.
- Fixed minimum monthly fee:
  - Covers hosting, support, upgrades
- Performance fees:
  - Transaction value (% / CPA)
  - Coupon downloads (CPC)

Proven business model used by global leaders:





SGD millions	2015/16e	2016/17e	2017/18e
Operating Revenue	\$1.4	\$4.5	\$10.5
Operating Expenses	\$2.6	\$4.2	\$6.6
Net Cash Flow	(\$1.2)	\$0.3	\$3.9
% of revenue from recurring or transactional fees	49%	59%	71%



# The Acquisition and Capital Raising



- The purchase price payable by SFN for the acquisition of Sprooki is the issue of the following securities to the Vendors:
  - 20m shares upon completion of the acquisition
  - 10m performance shares to be issued upon achievement of Milestone 1
  - 10m performance shares to be issued upon achievement of Milestone 2
- Capital requirement of \$2.7million (up to \$4.0million)

Event	Date
Notice of Meeting sent to Shareholders Prospectus lodged with ASIC	27 August 2015
Public Offer opens	3 September 2015
Suspension of the Company's securities from trading on ASX at the opening of trading Annual General Meeting to approve the Resolutions	28 September 2015
Public Offer closes	8 October 2015
Issue of Shares under the Public Offer Issue of Shares and Performance Shares to the Sellers Completion of the Share Purchase Agreement	22 October 2015
Expected date for Shares to be reinstated to trading on ASX	5 November 2015



# Capital Structure Post Completion

Pro Forma Capital Structure*	Min	Max
Funds Raised	\$2,700,000	\$4,000,000
Existing shares	16,158,387	16,158,387
Shares on Issue (post promotion and capital raising)	29,872,673	33,586,958
Shares for Acquisition	20,000,000	20,000,000
<b>Total Shares</b>	<b>49,872,673</b>	<b>53,586,958</b>
Options : Exercise at \$0.25, 3 years	14,640,000	14,640,000
Options : Exercise at \$0.20, 1 year	205,220	205,220

Pro Forma Capital Structure Post Milestones	Min	Max
Performance shares for Acquisition		
Milestone 1	10,000,000	10,000,000
Milestone 2	10,000,000	10,000,000
Fully diluted share capital	84,717,893	88,432,178

\*The above capital structure table assumes for illustration purposes that SFN raises \$2.7m at \$0.35 per share. It is indicative only and is subject to change.

Milestone 1	Shares to be Issued
<p>a) Sprooki achieving SG\$1.4 million in revenue; <b>and</b></p> <p>b) Sprooki executing and implementing a binding commercial agreement with:</p> <ul style="list-style-type: none"> <li>i) a retail brand or mall group who is either in the top three in a single major market by revenue or significant presence in at least three markets; or</li> <li>ii) a value added service provider with access to greater than 200,000 existing customers or members and active participation of at least 10% of those existing customers,</li> </ul> <p>in the 12 month period to 30 June 2016, or in any subsequent 12 month period and up to 5 years from date of execution.</p>	<p><b>10,000,000</b></p>

Milestone 2	Shares to be Issued
<p>a) Sprooki achieving SG\$4.2 million in revenue; <b>and</b></p> <p>b) Sprooki executing and implementing a binding commercial agreement with:</p> <ul style="list-style-type: none"> <li>i) a retail brand or mall group who is either in the top three in a single major market by revenue or significant presence in at least three markets; or</li> <li>ii) a value added service provider with access to greater than 200,000 existing customers or members and active participation of at least 10% of those existing customers,</li> </ul> <p>in the 12 month period to 30 June 2017, or in any subsequent 12 month period and up to 5 years from date of execution.</p>	<p><b>10,000,000</b></p>



Company	Valuation	Regional Focus
Swirl	US\$150m	U.S.
VMob	NZ\$23m	Europe & U.S.
OtherLevels	AUD\$23m	Europe & U.S.

# stanfield

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